Government of Saskatchewan

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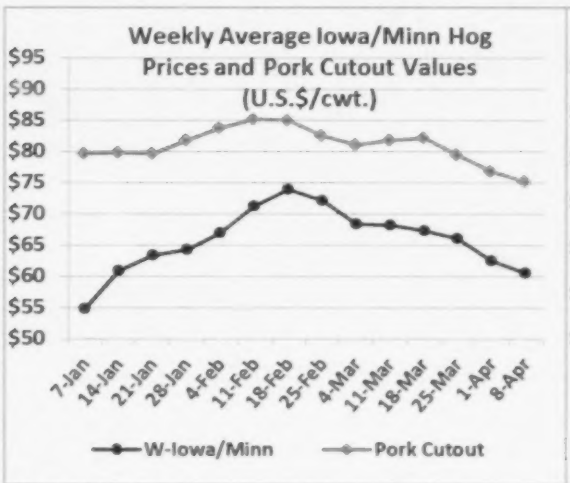
Weekly Hog Report

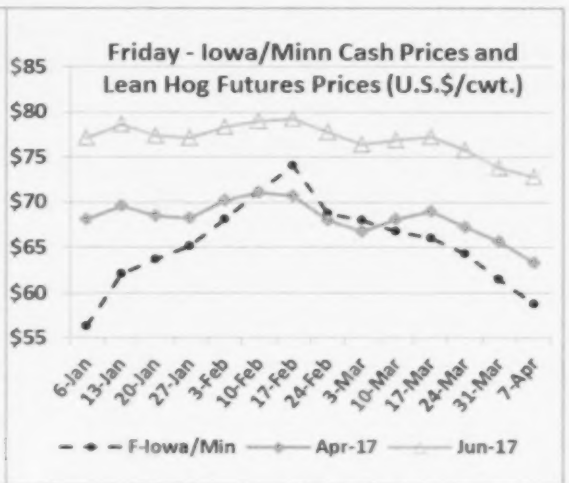
April 10, 2017

Cash Slaughter Weight Hog Prices

United States daily average cash hog prices (Iowa/Minn) continued lower last week. Hog prices on Friday April 7 averaged US$58.74 per cwt, down US$2.75 per cwt or 4.5 per cent from US$61.49 per cwt the previous Friday. The negotiated weekly base price last week averaged US$60.51 per cwt, down US$1.94 per cwt or 3.1 per cent from US$62.45 per cwt the previous week. Higher weekly hog and pork supplies (+6%) over the last four weeks compared to a year ago; have pressured hog prices lower.



Source: LMIC



Source: LMIC, CME

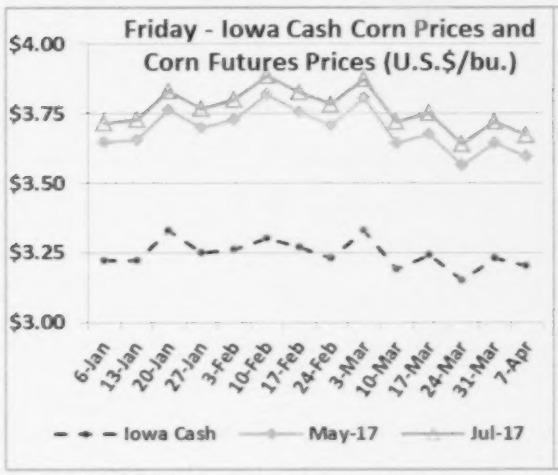
In Canada, the Signature#5 (Maple Leaf) Index 100 daily price for Friday April 7, 2017 was $153.22 per ckg, down $3.46 per ckg or 2.2 per cent from $156.68 per ckg the previous Friday. Signature#5 weekly prices (Friday to Thursday) averaged $154.93 per ckg, down $5.63 per ckg or 3.5 per cent from the previous weeks' average price of $160.54 per ckg. The Canadian dollar moved lower to settle last Friday at 74.57 cents, down 0.62 cents from 75.19 cents the previous Friday.

Futures Markets

United States lean hog futures daily prices were lower both early and later in the week to push the weekly prices down, week-over-week. The April-to-June futures contracts declined between US$0.850 per cwt and US$2.350 per cwt last week. The nearby April lean hog futures contract declined US$2.350 per cwt last week to settle Friday at US$63.325 per cwt; while the June lean hog futures contract declined US$1.075 per cwt to settle last Friday at US$72.775 per cwt.

Cash Feeder Hog Prices

North American (Iowa) iso-wean (10-12lb) cash hog prices and feeder (40lb) cash hog prices were again lower last week. Weighted average cash prices for iso-weans (12lb) last week were US$32.89 per head, down US$5.48 per head or 14.3 per cent from US$38.37 per head the previous week. Feeders (40lb) averaged US$65.19 per head, down US$2.010 per head or 3.0 per cent from US$67.20 per head, the previous week.



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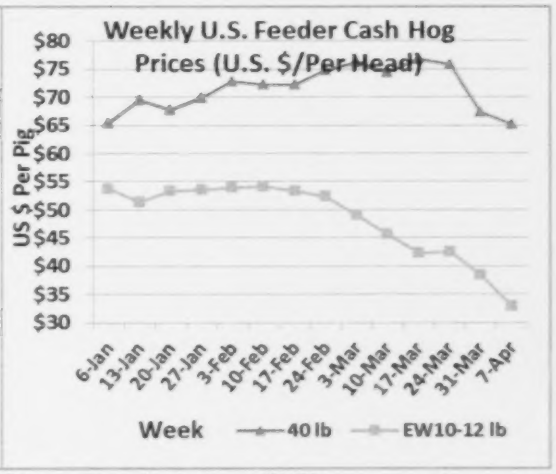


Source: Iowa Agriculture, CME

Iowa cash corn prices settled last Friday at US$3.20 per bushel, down three cents from US$3.23 per bushel the previous Friday. Daily corn futures were mixed but primarily lower last week to push prices lower, week-over-week. The May corn contract declined 4.7 cents to settle Friday at US$3.59 ½ per bushel; and the July contract declined 4.5 cents to settle Friday at US$3.67 ¼ per bushel.

Hogs Slaughtered

U.S. hogs slaughtered under federal inspection for the week ending April 8 were estimated at 2.306 million head, down 1.6 per cent from 2.343 million head the previous week, but up 6.8 per cent from 2.159 million head the same week a year ago. Weekly U.S. hog slaughter numbers over the last four weeks have averaged about 2.326 million head, up 7.0 per cent from 2.174 million head over the same period a year ago.

In Canada, federal and provincial hog slaughter numbers for the week ending April 1, 2017 were estimated at 432,731 head, up 0.4 per cent from 431,100 head the previous week, and up 10.4 per cent from 391,809 head the same week a year ago. Canadian hog slaughter numbers over the last four weeks averaged 419,924 head, up 3.8 per cent from 404,394 head over the same period a year ago. Year-to-date, for the first 13 weeks of 2017, Canadian hog slaughter numbers totaled 5,555,235 head, up 2.0 per cent from the same period a year ago. (Source: AAFC/CFIA)

In Western Canada, federal and provincial hog slaughter numbers for the four weeks ending April 1, 2017 averaged 173,475 head, up 3.9 per cent from 167,023 head over the same period a year ago. Year-to-date, Western Canadian hog slaughter numbers totaled 2,281,830 head in 2017, up 3.2 per cent from the same period a year ago.

Meat Production

U.S. pork production for the week ending April 8, 2017 was estimated at 489.7 million lb., down 1.6 per cent from 497.5 million lb. the previous week, but up 6.2 per cent from 461.3 million lb. the same week a year ago. Pork production over the last four week's ending April 8 was estimated to average 493.9 million lb., up 6.5 per cent from 463.7 million lb. over the same four week period a year ago.

U.S. beef production for the week ending April 8 was estimated at 467.4 million lb., down 3.5 per cent from 484.6 million lb. the previous week, but up 6.3 per cent from 439.6 million lb. the same week a year ago.

Combined production of U.S. beef, pork, chicken and turkey over the four weeks ending April 1, 2017, was estimated to average 2.088 billion lb., up 4.3 per cent from 2.002 billion lb. over the same four weeks a year ago. Year-to-date, total U.S. meat production for 2017 is estimated to be up 2.4 per cent compared to the same period in 2016.

United States Weekly Meat Production

(April 1) Four Week Average - Million Lb.			Percent Change	
	2016	2017	4 Week	YTD 2017
Pork	467.3	494.6	5.8%	2.7%
Beef	450.6	487.6	8.2%	5.5%
Chicken	960.8	972.5	1.2%	0.7%
Turkey	123.3	133.8	8.5%	2.7%
Total	**2,001.9**	**2,088.4**	**4.32%**	**2.37%**

Source: LMIC

Cutout Values

U.S. national pork cutout values for the week ending April 8, 2017 averaged US$75.13 per cwt, down US$1.58 per cwt or 2.1 per cent from US$76.71 per cwt the previous week, and down 2.7 per cent from US$77.23 per cwt from the same week a year ago.

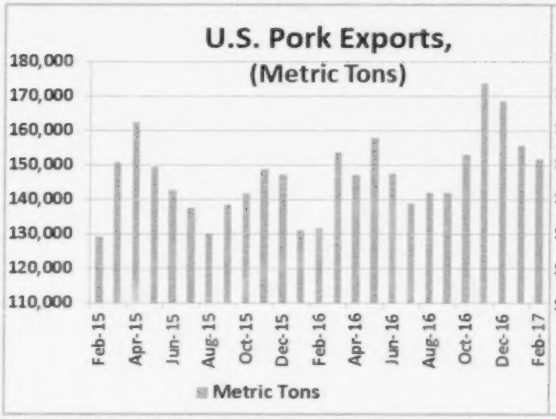
Choice beef cutout prices (600-900 lb.) for the week ending April 8, 2017 averaged US$209.99 per cwt over the week, down US$7.16 per cwt or 3.3 per cent from US$217.15 per cwt the previous week, and down 2.9 per cent from US$216.21 per cwt the same week a year ago.

Average chicken cutout values (breast) for the week ending April 8, 2017 averaged US$129.11 per cwt, up US$0.87 per cwt or 0.7 per cent from US$128.24 per cwt the previous week, and up 11.3 per cent from US$115.96 per cwt the same week a year ago.

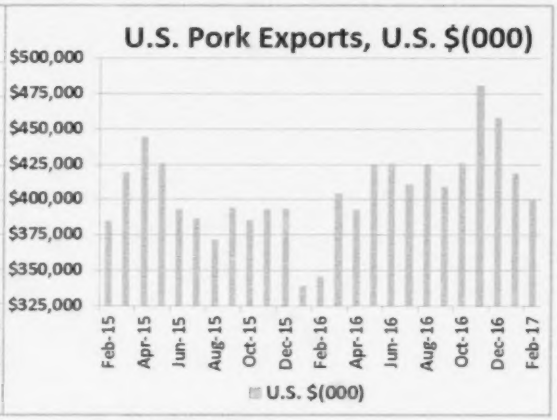
United States Pork Exports

United States pork exports for February 2017 were released last week. United States exported 151,795 metric tons of pork in February 2017, down only 2.5 per cent from 155,729 metric tons in January 2017, but up 15.3 per cent from 131,592 metric tons in February 2016. U.S. pork exports by volume for February 2017 versus February 2016 were notably higher to Mexico (+25.1%), South Korea (+26.8%), and Japan (+14.9%), but lower to China/Hong Kong (-11.1%).

By dollar amount, U.S. pork exports in February 2017 were US$400.4 million dollars, down 4.3 per cent from US$418.5 million in January 2017, but up 16.0 per cent from US$345.3 million dollars in February 2016.



Source: USDA, USMEF



Source: USDA, USMEF

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